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**GREAT FALLS GAS CO. REQUESTS 14% RATE INCREASE
TO COVER INCREASED GAS COSTS**

Citing a dramatic increase in its natural gas costs last winter, Great Falls Gas Co. has asked the Public Service Commission to approve a 14-percent rate increase.

In its July 11 filing, the company proposed to increase rates in order to raise an additional \$1.88 million in annual revenue. If approved, customers' rates would go up from 13 to 16 percent, depending on rate class. The residential rate would increase by 14%.

The request for the rate increase is the major issue in this year's "gas tracker" procedure, which the company files annually in order to adjust rates to reflect the cost it pays for natural gas. Other issues included in the case are the company's request to include its West Yellowstone division in the gas tracker procedure and a proposal to implement a surcharge associated with rate case expenses.

Anyone directly affected by Great Falls Gas Co.'s proposal may request the PSC to conduct a hearing on the matter by filing a request for hearing with the PSC, PO Box 202601, Helena 59620-2601, no later than August 29. Interested persons may also send written comments on the company's proposal to the PSC.

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